

three major equipment vendors as part of necessary and standard "collocation interface equipment."

Contrary to allegations, the POT frame is not an unnecessary device. The POT frame arrangement containing interconnection panels provides a technically and economically efficient interface/demarcation point between the interconnector and SWBT. The DSX panel in the POT frame enables SWBT and interconnectors to have test access as well as control and maintenance capabilities up to their panels and replaces the SMART JACK arrangement currently used at the customer premises for loop-back testing capability.

With expanded interconnection the Commission has essentially moved the interconnectors' Network Interface (NI), or Point of Termination (POT) as defined in the Access tariff, within the confines of a SWBT central office. This should in no way detract from the functionality SWBT has been allowed to establish at the NI or POT. SWBT is currently permitted to place a device at the network interface that facilitates loop-back testing. In addition, SWBT's network interface device establishes a clear demarcation point for the isolation of trouble and establishing responsibility for repair. Without such a clear demarcation point, instances of trouble could not be easily resolved. The fact that the Commission has mandated that the point of termination be moved into a SWBT central office should not restrict SWBT's flexibility in maintenance and design.

Furthermore, the testing and monitoring capability provided by the POT frame interconnection panels is critical to quickly and easily determine the source of many problems with

minimal disruption to service and to identify whether SWBT or the interconnector is responsible for correcting the problem. In addition, to facilitate collocation, the LECs would have to provide DC power and central office ground, neither of which can be provided at the MDF.

The POT frame also houses the DC power connection for the interconnector's equipment. Because of the cabling distance from collocation space to SWBT's power equipment (over 100 feet on the average in the 126 central offices requested and included in SWBT's tariff), the power connection point in the POT frame is a metered, fused, and alarmed DC power panel that protects both SWBT and the interconnector facilities. On the other hand, a MDF cannot contain a power panel.

Cabling must be sized and installed from the power panel in the POT frame to the power plant which could be located several floors or several hundred feet from the cage. The proper sizing of power to facilitate future growth in the cage eliminates subsequent costly cable runs to meet the needs of additional equipment. Running separate power cable each time an increment of growth occurs is not only more costly, but will also quickly congest the power conduit and the power cable rack provided for the interconnector.

In addition, in the central office environment a common ground-point is required to ensure an electrically noise free environment and prevent lightning-induced and other fault currents. Therefore, in order to ensure proper central office grounding and to eliminate any potential problems caused by improperly grounded

interconnector equipment, central office common grounding is extended to the POT frame.

A POT frame provided by either SWBT or the interconnector allows for a well defined physical termination point for installing a DC power panel and central office grounding-point. This is critical in light of the fact that fires in a New York City central office in the 70's and in the Hinsdale central office in the 80's, were both started in the power cables and spread throughout the office. Thus, the POT frame power panel design provides protection for both SWBT and the interconnector.

If the POT frame DS1/DS3 interconnector design is not used, the circuit would have to be disabled in order to test a circuit in cases of trouble. The end-user customer would need to be put out of service for such trouble-shooting. The POT frame houses the interconnection panel which provides the testing capability allowing both parties to test circuits from the appearances on their panels without causing customer down time. Therefore, the DSX panels replace the SMART JACKS that would have been installed at the remote customer premises to provide this loop-back testing capability.

In addition, the POT frame interconnection arrangement significantly reduces problems that could result if the source of trouble is not clearly and quickly identified.

Yet another benefit of the POT frame interconnection design is that it allows SWBT and interconnectors the capability of quickly cross connecting failed circuits to other circuits within their panel thereby restoring and/or maintaining service to customers, and eliminating major re-wiring efforts. The DSX panels

housed in the POT frame also provide the option for remote monitoring capability.

In the POT frame interconnection arrangement environment, dedicated facility/cabling to the interconnector has been provided in the design. Therefore, at the time of order processing for each expanded interconnection cross connect, SWBT is not required to install additional cabling between the interconnector's cage and SWBT's facilities.

In addition, the POT frame interconnection arrangement containing DSX panels, provides the capability for testing and monitoring of intraoffice repeaters that may, due to distance limitations, be needed between SWBT's equipment and the interconnector's cage. No other interconnection arrangement would allow this testing or monitoring capability up to the actual point of "handoff."

Finally and most importantly, the cost for this necessary piece of hardware is small and should not be a point of contention. Further, interconnectors can even provide their own POT frame if they desire.

POT frame cost development is contained in Appendix 2. If the cost of the POT frame is not recovered from the interconnector, SWBT would be forced to recover this cost from the general body of ratepayers.

e. Security Charges.

LECs are to justify any security requirements they impose.¹⁹ SWBT's physical collocation security requirements are identical to those required for outside vendors as described in SWBT's Installation Guide, TP 76300.

Security escorts are reasonably required in those locations where separate access to collocation space is not available. Not all collocation space will require security escorts, only those where secure access to collocated space is not available. These measures are no different than those currently in place for non-SWBT employees (for example, vendors such as AT&T) who may require access.

Since interconnector cables are brought into the central office directly from the entrance facility, the interconnectors will not need access to vaults, manholes, risers and racks. These areas will be accessed only by SWBT employees.

In some locations, electronic access control will be implemented to control entry/exit to the general collocation space which may have one or more interconnectors. These control measures will allow entry and exit only to authorized personnel and will also provide tracking of all activity in and out of the area designated as physical collocation partitioned space.

SWBT's security requirements are designed not only for its protection, but also for the protection of the interconnector(s).

¹⁹ Designation Order at p. 14.

B. Are the Rate Structures Established in the LECs' Expanded Interconnection Tariffs Reasonable?²⁰

1. LECs are to Address the Question of Whether the Rate Structures Established in Their Expanded Interconnection Tariffs Contain Excessive Bundling of Rate Elements.²¹

SWBT's expanded interconnection rate elements have been unbundled to the maximum extent logically possible. As previously stated, if the interconnector provides its own interconnection arrangements, cabling from SWBT's equipment to the interconnector's point of termination frame is included in either the DS1/DS3 Interconnection Arrangement or the DS1/DS3 Transmission Arrangement, depending on the option selected by the interconnector. DS1/DS3 Panels are also included in the Interconnection Arrangement option. The offering of such options does not constitute excessive bundling. Cable racks are included in the TAC because they are considered to be a building modification to the wire center. All other rate elements specified by the Commission in this docket are identified individually in SWBT's Expanded Interconnection Tariff.

2. LECs are to Justify the Rate Structures They Have Chosen to Recover Central Office Construction Charges.²²

SWBT does not "double recover" its cost to prepare an office for collocation nor are its rates "interconnector specific." In information previously provided to the Commission, SWBT showed how it developed averaged rates for its TAC dependent on the size

²⁰ Designation Order at p. 15.

²¹ Designation Order at p. 18.

²² Id.

of the wire center. Once the size (small, medium or large) was determined, SWBT utilized the interconnector-provided forecasts submitted as a result of the Special Access Order to determine the number of interconnectors likely to physically collocate in a given wire center. The cost, based on size, was divided by the forecasted number. This methodology, based on the accuracy of interconnector-provided forecasts, does not require a provision for a pro rata refund or provide for retroactive TAC increases if forecasts are not realized.

SWBT took a risk on the accuracy of the interconnector-provided forecasts when it divided total construction costs for a specific wire center by the number of interconnectors forecasted. For example, if four interconnectors forecasted occupancy in a wire center, and only one actually physically collocates, SWBT will not fully recover the associated construction costs required to modify the wire center for physical collocation. That is, it is not presently contemplated that SWBT recover the entire cost of construction from the original interconnector at some future time after it is acknowledged that the other three forecasted interconnectors will not be collocating in that particular central office. Therefore, not only are SWBT's rates justified, they may be understated as they may result in underrecovery of the construction costs if the total number of interconnectors collocating in a wire center turns out to be fewer than originally projected through the interconnector-provided forecasts.

3. SWBT is to Explain Why Charging an NRC For Equipment Instead of Recovering the Cost of Such Equipment Through Recurring Charges is Reasonable.²³

SWBT has no guarantee how long an interconnector will remain in business in a specific wire center. The equipment required to provision physical collocation is not reusable by SWBT.

Lump-sum (nonrecurring) payment for LEC expenditures on physical accommodations and network equipment dedicated solely to a specific interconnector is neither unreasonable nor inappropriate. LECs are expected to physically alter selected buildings solely at the request of interconnectors, acquire equipment that they otherwise would not purchase, and integrate the additional equipment into their networks. Thus, the interconnector causing the expenditure should be expected to bear the full cost of these nonroutine expenditures including financing costs.

In addition, the true costs of entry should determine whether, and which, firms actually come into a market. For example, inefficient entry could occur if potential entrants find LEC interconnection rate structures (predicated on recurring charges recovering all start up costs) provide more favorable terms than they could get in financial markets if they were required to borrow the necessary start up capital. In effect, allowing competitive entry into access markets through inefficient rate structures distorts the perceived risk associated with such entry. If the capital necessary to enter this market cannot be more favorably obtained in traditional financial markets (e.g., issuance of common stock and/or corporate bonds), the investment community

²³ Designation Order at p. 19.

assesses a higher degree of risk of entry (i.e., has less confidence in the success of potential entrants) than does the Commission. Capital markets should be left to establish the riskiness of entry into access markets by expecting new entrants to incur start up costs rather than expecting incumbent LECs to aid new entrants through rate structures designed to all but eliminate the true cost or risk of entry for the new entrants.

4. LECs That Require Interconnectors to Pay Any Construction or Nonrecurring Charges Prior to Commencement of the Work Are to Explain Why This is Reasonable.²⁴

SWBT developed a provision allowing it to collect 50% of the nonrecurring charges associated with provisioning collocation from the responsible interconnector because SWBT has no other reliable, reasonable way to guarantee that a potentially poorly capitalized interconnector that cancels a request would promptly pay associated charges for the construction work undertaken by SWBT prior to the cancellation. The development of an ICB-type cancellation charge is not a feasible alternative, as SWBT has no assurance it could ever collect it from poorly capitalized interconnectors.

If ordered to develop a cancellation charge, SWBT must be allowed to use all of the same collection tools available in its dealings with its access customers, including the denial of access service and future expanded interconnection requests if the interconnector does not pay the costs incurred up to the time of cancellation. If an interconnector goes out of business, SWBT must be able to recover the costs of construction from the

²⁴ Designation Order at p. 19.

interconnector, thereby avoiding forced recovery from rate payers. If an interconnector goes out of business, it is doubtful that the interconnector would have the financial ability to pay any cancellation charges. SWBT would then be forced to pass its losses to the general body of ratepayers, which are, in theory, the intended beneficiaries of the Commission's Special Access Order.²⁵

5. LECs That Provide Electric Power in Increments and Not on Actual Usage, Are to Explain Why They Do So.²⁶

SWBT provides electric power in proportion to the size of the partitioned space, (i.e., per 100 sq. ft. cage). In order for SWBT to provide DC power to an interconnector, SWBT must calculate the impact of the additional power demands on its existing power plant (e.g., rectifiers, batteries, emergency engine, etc.). In addition, the power cables from the interconnector's equipment space to SWBT's power plant have to be sized, based on the distance from the collocation area to the power plant and the maximum DC ampere demand the cabling is expected to carry. To determine the DC ampere demand the type and quantity of equipment must be known.

The following illustrates the problem associated with determining power demands. The maximum DC current drain from a sampling of equipment can vary from 8.2 to 20.0 amperes per fully

²⁵ Expanded Interconnection with Local Telephone Company Facilities, 7 FCC Rcd 7369 (1992) (Special Access Order), recon., 8 FCC Rcd 127 (1992), pets. for recon. pending, appeal pending sub nom. Bell Atlantic Corp. v. FCC, No. 92-1619 (D.C. Cir., filed Nov. 25, 1992).

²⁶ Designation Order at p. 19.

equipped bay.²⁷ Therefore, in a 100 square foot space, approximately five bays could be installed (40 to 100 amps could be required.)

Since the type and quantity of interconnector equipment is unknown, SWBT has developed the 40 amp and 100 amp tariff element power arrangements to recover the costs of installing cables, fuse panels, and additional power plant equipment for not only the expected, but also the future, DC power demands of an interconnector. This arrangement allows the interconnector to furnish, install, equip and add to their equipment without incurring additional charges from SWBT for their DC power needs (for up to 100 amps if the 100 amp option is selected). This arrangement also requires that the interconnector adequately forecast its equipment needs rather than having SWBT bear this expensive burden.

If SWBT is required to offer power on an actual usage basis rather than through the 40/100 amp "increments," SWBT would bear the burden of determining how much power an interconnector may possibly require, sizing the cabling and fuse panels based on this calculation and incurring all of the costs of furnishing and installing the required facilities. SWBT, however, would only be able to recover charges for the interconnector usage as the interconnector possibly adds to its collocated equipment over time, and these charges may not recover all costs.

²⁷ This figure was derived using Bellcore's Network Equipment-Building Systems Data as a reference for determining maximum DC current drains for typical types of equipment an interconnector may install.

If the calculation for power cables is undersized, and is later exceeded, additional equipment will be required, thereby resulting in service delays while additional equipment is installed. Additional costs will also be incurred by the interconnector for increasing the required power facilities. In addition, since power readings will be required for accurate billing of power usage, an additional expense will be incurred by the interconnector for SWBT to read the meters on a periodic basis.

Although the actual usage approach might appear to be the least costly approach for an interconnector, service delays while additional equipment is furnished and installed, as well as the additional costs for installing power plants, cables and fuse panels, and for meter reading, may result in greater long-term costs than the increment approach as interconnector growth occurs. SWBT's approach was designed to eliminate potential service delays and to allow the interconnector to increase the amount of equipment they use with minimized SWBT involvement. The approach also follows the method SWBT uses in providing power for its own current and future needs.

6. LECs are to Explain Why it is Reasonable to Charge For Any Additional or Extraordinary Costs Not Specifically Listed in Their Tariffs.²⁸

SWBT and other LECs have traditionally been allowed by the Commission to recover additional or extraordinary costs not covered by tariff rates and charges (e.g., Specialized Service or Arrangements). SWBT is not proposing to treat interconnectors any differently than its access services customers.

²⁸ Designation Order at p. 19.

SWBT defines extraordinary costs as any costs over and above those recovered through its Expanded Interconnection rate elements. For example, in SWBT's tariff at Section 25.2(B)(1)(f) costs are incurred to relocate an interconnector's equipment and facilities at the interconnector's request.

C. Are the LECs' Provisions Regarding Interconnection Space Size, Expansion, and Location Reasonable?²⁹

1. LECs are to Explain Any Minimum or Maximum Space Requirements They Have Established and Why They Were Chosen.³⁰

SWBT offers initial increments of partitioned space in a minimum of 100 square feet and a maximum of 400 square feet as specified in Section 25.2(B)(1)(a) of SWBT's Tariff F.C.C. No. 73. The 100 square foot size was designed based on a number of factors including: 1) existing industry precedent; 2) anticipated size of interconnector equipment; 3) anticipated interconnector future growth needs; and 4) anticipated interconnector desire to be physically able to operate, install and maintain equipment within this space. Based on these assumptions, SWBT also offers additional space in 100 square foot increments.

The 100 square foot minimum is reasonable to house necessary interconnector-provided transmission equipment, (such as multiplexers or repeaters). Should the provision of initial and additional partitioned space in increments of less than 100 square feet be mandated, SWBT's administrative costs for collocation would increase since it would be possible for interconnectors to order space in more varied types and sizes of configurations, thereby

²⁹ Designation Order at p. 19.

³⁰ Designation Order at p.21.

requiring manual intervention in the mechanized flow of service order processing. Further, not only will provision of less than 100 square feet of space for interconnectors result in more rapid exhaustion of the space by the interconnector and increase demand for subsequent orders for additional space, but a smaller minimum will also make it less likely that an interconnector could obtain contiguous space if it decides to expand in a specific wire center.

Different interconnectors will likely be situated in partitioned space next to each other. SWBT intends to designate specific areas in a wire center for collocation and prepare space for requests in an orderly fashion rather than scatter the partitioned spaces through the wire center. SWBT does not intend to hold space available for the first interconnector should other interconnectors request space prior to expansion by the first interconnector.

SWBT also limits space to a maximum of 400 square feet in an attempt to avoid situations where a single interconnector occupies (warehouses) so much space that its competition (other interconnectors) would not be able to physically collocate.

2. LECs are to Describe How They Will Treat Orders For Additional Space.³¹

As specified in SWBT's tariff (See, Section 25.2 (B)(1)(a), additional space will be offered in 100 square foot increments on an as-needed basis, where available. Up to 400 square feet may be requested on the same order. The interconnector must repeat the ordering process only if additional space is

³¹ Designation Order at p. 21.

requested subsequent to the initial installation, because all additional applicable costs would be incurred again by SWBT.

3. LECs are to Specify Their Policies Regarding Provision of Contiguous Space For Expansion and Direct Cabling Between Noncontiguous Spaces and State Why These Policies are Reasonable.³²

SWBT does not intend to reserve free, contiguous space under the assumption that an interconnector may, at some future time, wish to expand. SWBT will provide interconnectors with space in the order that bona fide requests are received. Reserving contiguous space for some possible future use could force SWBT into the unnecessary provisioning of virtual collocation to facilitate the requests of other interconnectors. If, however, contiguous space would be available, should an interconnector desire to pay the nonrecurring charges associated with expanding the existing enclosure, SWBT would consider this to be an extraordinary cost.

Direct cabling from one partitioned space to another noncontiguous partitioned space provided to the same interconnector will be considered on a wire center specific basis and, where feasible, charged for as an extraordinary cost utilizing interconnector-provided cable.

³² Designation Order at p. 21.

D. Are LECs Tariff Prohibitions Against Expanded Interconnection With Dark Fiber Service Consistent With the Special Access Order?³³

1. SWBT is to Specify Whether Their Expanded Interconnection Tariffs Prohibit or Permit a Collocator to Cross-Connect to LEC-Provided Dark Fiber Service in the Same Way in Which an Interconnector Would Cross-Connect to LEC-Provided DS1 and DS3 Services. If Not, SWBT is to Explain How That Result is Consistent With the Special Access Order.³⁴

SWBT's tariff makes no provision for a collocator to cross-connect to such dark fiber, nor is SWBT required to do so. First, in its Special Access Order, the Commission stated that:

expanded interconnection for special access should be made available to all parties who wish to terminate their own special access transmission facilities at LEC central offices, including CAPs, IXCs, and end users.³⁵

Second, the Commission has specifically confirmed to the District of Columbia Circuit Court of Appeals that no such requirement exists:

U S West also mistakenly claims that having to provide dark fiber (at least until the FCC acts on its Section 214 application), viewed in tandem with the Commission's new "expanded interconnection" rules, will place the carrier "in the end-to-end facilities business with no recourse to this Court for relief." In fact, contrary to US West's apparent assumption, the expanded interconnection rules only require the BOCs to offer physical collocation (within the BOC central office) to customers seeking to interconnect their own special access transmission facilities at the BOC central office. They do not require the BOCs

³³ Designation Order at p. 22.

³⁴ Designation Order at pp. 22-23.

³⁵ Special Access Order at para. 1 (emphasis added).

to offer physical collocation in connection with BOC-provided dark fiber.³⁶

Section 64.1401(d)(2) of the Commission's rules is consistent with these passages. The Special Access Order does not require the LECs to offer expanded interconnection to LEC-provided dark fiber.

Pursuant to the above language, SWBT's Access Tariff contains the following definition for partitioned space:

Denotes an area designated by the Telephone Company within a wire center to be used by an Interconnector for the sole purpose of installing, maintaining and operating its transmission equipment to connect Interconnector's services to Telephone Company-provided services. Partitioned space is not considered to be a premises, as defined in 2.7 following, for the purposes of administering regulations and rates contained in this tariff.³⁷

This language is to be read together with the following passage:

A Dark Fiber Facility Arrangement is unpowered fiber optic cable which does not include electronics necessary to power or light the fiber. Dark Fiber Facility Arrangements are provisioned between two customer premises.³⁸

As SWBT Dark Fiber Facility Arrangements are only offered between two customer premises, they are not offered between a customer premises and central office partitioned space where expanded interconnection occurs.³⁹ Therefore, SWBT does not offer

³⁶ Response of the Federal Communications Commission in In re: U S West Communications to the Petition for Writ of Mandamus of US West filed January 25, 1993, (No. 93-1075) (pp. 9-10). (emphasis added)

³⁷ SWBT Tariff F.C.C. No. 73, Section 2.7.

³⁸ SWBT Tariff F.C.C. No. 73, Section 22.1 Dark Fiber Facility Arrangement - General Description. (emphasis added)

³⁹ Further, SWBT has never offered Dark Fiber Facility Arrangements between a customer premises and a central office and has no plans to offer such an arrangement as a new service.

dark fiber interconnection under its expanded interconnection tariff.

There are many other issues related to dark fiber expanded interconnection that would have to be addressed before dark fiber interconnection could be implemented. These issues include: How would dark fiber expanded interconnection be possible as no network interface definition currently exists for dark fiber? What transmission standards would apply? How will fiber be interconnected? How would the resultant service be monitored and tested? Many other issues could also be relevant. However, these issues are moot as the Special Access Order clearly does not require interconnection with LEC dark fiber facilities.

E. Do the LECs' Tariffs Prevent Interconnector Control Over Channel Assignment on Their Interconnectors' Networks and, if so, is Such an Arrangement Reasonable?⁴⁰

1. LECs are to Provide Diagrams and Explain to What Point They Allow Interconnectors to Maintain Control of Channel Assignment on the LECs' Network and How This Enables Interconnectors to Control Channel Assignment on Their Own Networks.⁴¹
2. LECs That Appear to Maintain Control of Channel Assignment to the Point of Termination are to Identify Specifically Where the Point of Termination is and Whether This Deprives the Interconnectors of Control Over Channel Assignment on Their Own Network.⁴²

This section responds to the above two issues. Contrary to the concerns expressed by Teleport, it is SWBT's intent to furnish the interconnectors two different types of assignment control. The first, in a collocated environment, is the assignment

⁴⁰ Designation Order at p. 23.

⁴¹ Designation Order at p. 24.

⁴² Designation Order at p. 24.

control over bay, panel and jacks for cross-connecting DS1 and DS3 services in a SWBT Central Office. The second is channel assignment control over the individual channel services subtending the DS1 and DS3 facilities when multiplexing is ordered from SWBT.

SWBT permits interconnectors assignment control of every DS1 and/or DS3 level service interfacing with the interconnector at the SWBT collocation central office. This is accomplished by the service order specification of floor, aisle, bay, panel and jack by the interconnector as individual DS1 and/or DS3 circuits or facilities are requested. (See, Section 5.2.2(R)(2) of SWBT's tariff). Attached as Appendix 11 is a diagram from SWBT's expanded interconnection technical publication that illustrates the standard interface arrangement for cross connecting an interconnector's DS1 and/or DS3 facilities to SWBT's special access services. As can be seen in the diagram, cross connects are made at both the interconnector's POT frame as well as at the SWBT DSX frame. In addition, a dedicated cable is placed between the POT frame and the SWBT DSX frame at the time of the initial equipment installation. The purpose of the frame is to give both the interconnector and SWBT the opportunity for control of labor in their respective work areas. As interconnection cross connects are requested by the interconnector, it will be the interconnector's prerogative to terminate its incoming DS1 or DS3 service to whichever frame appearance they choose on the POT frame. The cable dictates where the incoming interconnector service will appear on the SWBT DSX frame. It will then be SWBT's responsibility to extend the interconnector's service, as directed by the interconnector, either to a multiplexer or to a customer premises. The interconnector

will have front-end assignment control of the incoming service from within its collocated space.

In addition to the aforementioned type of assignment control, the interconnector will also have assignment control of the more traditional subtending channel services when multiplexing is ordered. If the interconnector orders DS1/VF-DSO multiplexing from SWBT at a SWBT hub, the 24 derived DSO channels would be under the assignment control of the interconnector. Likewise, if an interconnector orders DS3/DS1 multiplexing from SWBT at a SWBT hub, the 28 derived DS1 channels would be under the assignment control of the interconnector. Multiplexed services are currently provisioned this way by SWBT. This technique gives the interconnector complete control of individual channel assignments within its own network as well as up to and including the channel assignment of the multiplexer in the SWBT network.

The above techniques of 1) Bay, Panel and Jack specification by the interconnector in the collocation central office and 2) Channel Facility Assignment (CFA) control when multiplexed services are ordered from SWBT provide the interconnector complete assignment control.

F. Are the LECs' Provisions Regarding Warehousing or Efficient Use of Space Reasonable?⁴³

1. LECs That Regulate the Amount of Ancillary Equipment Collocators May Place in Their Cage (i.e. file cabinets) are to Explain Why Such a Regulation is Reasonable. LECs Should Also Address Whether an Interconnector Should be Evicted For Violating Such a Provision if: (1) it is operational and space for additional interconnectors is available; (2) it is operational and space for additional interconnectors is not available; (3) it is not operational and space for additional interconnectors is available; and (4) it is not operational and space for additional interconnectors is not available.⁴⁴

SWBT's Expanded Interconnection tariff contains no language regulating the amount of ancillary equipment interconnectors may place in their cage.

2. LECs That Set a Time Limit Within Which the Interconnector is to Occupy its Cage Are to Explain Why This is Reasonable.⁴⁵

SWBT's tariff at Section 25.2 (B)(1)(a) requires the interconnector to place transmission equipment in its partitioned space within 60 days after it is ready for occupancy. Unless there are circumstances beyond its control, this should give the interconnector adequate time to place transmission equipment, since a period of up to 150 days may have elapsed between the time the interconnector accepted the quotation of charges and when the partitioned space is ready for occupancy. This time should be more than sufficient for the interconnector to order, receive and prepare its equipment to move in the partitioned space.

⁴³ Designation Order at p. 24.

⁴⁴ Designation Order at p. 26.

⁴⁵ Designation Order at p. 26.

SWBT does not intend to evict an interconnector if it does not place transmission equipment within 60 days unless space in the wire center is limited and SWBT has requests from other interconnectors for use of the space. SWBT is utilizing these procedures because it is concerned that interconnectors will obtain space and not install transmission equipment in order to keep other potential interconnectors from physically collocating in a wire center.

3. LECs That Refuse to Rent Additional Space to an Existing Interconnector on the Grounds That the Interconnector Has Not Efficiently Used its Initial Interconnection Space Should Explain on What Basis They Will Make This Determination.⁴⁶

SWBT's Expanded Interconnection Tariff does not contain this type of provision.

- G. Are the LECs' Provision Regarding Notice to or From Interconnectors in the Event of Service Termination Reasonable?⁴⁷

1. LECs are to Explain Why the Notice Period Provided in Their Tariff For Notifying the Interconnectors of the LECs' Intention to Terminate the Interconnection Arrangement is Reasonable.⁴⁸
2. LECs are to Specify the Notice Period in Their Tariffs for the Interconnector to Notify Them of its Intent to Terminate and Explain Why it is Reasonable.⁴⁹

⁴⁶ Designation Order at p. 26.

⁴⁷ Designation Order at p. 26.

⁴⁸ Designation Order at p. 27.

⁴⁹ Designation Order at pp. 27-28.

3. LECs are to Justify Any Differences Between the Above Notice Periods.⁵⁰

In response to the above three issues, SWBT's Expanded Interconnection tariff contains no specific language regarding notification of intent to terminate interconnection arrangements. SWBT intends to treat interconnectors on the same basis as its access service customers concerning termination of service, and therefore, makes reference to Section 2, General Regulations, of its Tariff F.C.C. No. 73 for regulations not specified in the Expanded Interconnection section. Nonetheless, SWBT provides expanded interconnection on a month-to-month basis; as with the access services provided month-to-month, a notice period may not be as necessary as compared to a longer term commitment.

H. Are the LECs' Provisions Permitting Them to Terminate a Collocation Arrangement Reasonable?⁵¹

1. LECs Whose Tariffs Permit Them to Discontinue Service For Any Violation of the Tariff are to Explain Why This is Reasonable.⁵²

As described in subsection G, supra., SWBT intends to treat interconnectors on the same basis as its access service customers, and therefore makes reference to Section 2 of its Tariff F.C.C. No. 73 regarding discontinuance of service. (See, Section 2.1.6, Refusal and Discontinuance of Services.) This section reasonably specifies the terms which warrant discontinuance of services.

⁵⁰ Designation Order at p. 28.

⁵¹ Designation Order at p. 28.

⁵² Designation Order at p. 29.

2. Parties are to Describe Conditions Under Which the Interconnectors Should Be Charged For Termination of Collocation Arrangements.⁵³

SWBT has no provisions to charge for termination of collocation agreements in its tariff because SWBT uses nonrecurring charges (NRCs) to cover these costs. However, if SWBT is not allowed to charge lump-sum NRCs for equipment (as compared to recovering the cost of such equipment through recurring charges), then SWBT must be allowed to apply termination charges if the interconnector goes out of business. Termination charges would be based on the remaining nonrecoverable costs of the facilities and equipment dedicated to the interconnector. If collocation agreements are terminated prior to collocation becoming operational, then SWBT should be able to apply cancellation charges calculated based on the same methodology. Of course, any termination charges or cancellation charges not collected would flow into the general rate base, requiring SWBT's customers to absorb costs caused by uncollectibles from failed interconnectors.

3. Parties are to Explain When Termination of a Collocation Agreement Should Be Explicitly Prohibited by the LEC, the Interconnector, or Both.⁵⁴

Termination of collocation agreements should be subject to the same terms and conditions as service agreements with its access service customers. (See, Section 2.1.6 of SWBT's Access Tariff).

⁵³ Designation Order at pp. 29-30.

⁵⁴ Designation Order at p. 30.

4. LECs Whose Tariffs Permit Them to Place Liens on the Equipment of Interconnectors are to Justify Why Such Provision is Reasonable.⁵⁵

SWBT has not included such a provision in its tariffs.

- I. Are the LECs' Provisions Regarding Termination of Collocation Arrangements in the Event of a Catastrophic Loss Reasonable?⁵⁶

SWBT has no specific language regarding termination of collocation arrangements in the event of a catastrophic loss.

1. LECs are to Justify the Time Period in Their Tariff Within Which They Will Inform Interconnectors of Their Plans to Rebuild or Relocate in the Event of Catastrophic Loss.⁵⁷

SWBT's Expanded Interconnection tariff contains no language regarding informing interconnectors of plans to rebuild or relocate in the event of a catastrophic loss.

2. Parties are to Discuss Whether LECs Should Be Required to Place Language in Their Tariffs to Relocate an Interconnector to Another Space Within the Same Office or Another Office in the Event the Collocated Space Becomes Unusable Due to a Catastrophic Event.⁵⁸

Telecommunications restoration priorities, which are governed by Commission rules, and are contained in existing tariffs, should be used. (See, Section 10 of SWBT's Access Tariff) LECs should not be required to place further provisions in the Expanded Interconnection tariff which would discriminate against already established policies applicable to customers of SWBT telecommunications services.

⁵⁵ Designation Order at p. 30.

⁵⁶ Designation Order at p. 30.

⁵⁷ Designation Order at p. 31.

⁵⁸ Designation Order at pp. 31-32.